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FISCAL IMPACT STATEMENT

LS 7468

BILL NUMBER: SB 580

NOTE PREPARED: Jan 12, 2011

BILL AMENDED:

SUBJECT: Indiana Health Exchange.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Commissioner of the Department of Insurance (DOI) and the Secretary of Family and Social Services Administration (FSSA) to perform certain tasks and report to the Health Finance Commission to design, implement, and administer the Indiana Health Exchange in accordance with federal law. The bill also specifies certain exchange-related requirements, including financial requirements and health plan certification requirements.

Effective Date: July 1, 2011.

Explanation of State Expenditures: This bill will require the DOI and the FSSA to do the following.

- (1) By September 30, 2011, hold public meetings with health care providers, insurers, consumers, and other interested parties concerning the design, establishment and administration of the State Health Exchange.
- (2) By October 31, 2011, report to the Health Finance Commission concerning the administration of the Exchange, other states which the state of Indiana could cooperate with to form an interstate exchange, and other provisions necessary for the implementation of the Exchange.
- (3) Apply for federal grant funds to be used for the development or implementation of the Exchange.

This will increase the workload of the DOI and FSSA to study, hold meetings, and report findings to the Health Finance Commission. The state of New Mexico estimates the one-time costs of (a) financial modeling, (b) oversight, (c) providing technical expertise, (d) conducting an informational technology assessment, and (e) assessing stakeholder involvement and input, to be approximately \$1 M. Assuming

similar approach in how the FSSA and DOI intends to study the design, establishment, and administration of the Exchange, state expenditures are expected to increase by \$1 M. [This estimate does not include the costs of implementing the Exchange.]

Additionally, the bill will require the DOI to apply for federal certification of the Exchange not later than October 1, 2012. The costs of implementing the Exchange will depend on the decisions made by the FSSA and DOI through the course of meetings. Actual costs are indeterminable and will depend on administrative and legislative decisions.

Explanation of State Revenues: The bill requires the DOI and FSSA to apply for federal grants to cover the costs of developing and implementing the Exchange. To the extent they are received, state revenue will increase. Increases in revenue are expected to offset the costs of studying the design, establishment, and administration of the Exchange. Actual increases in state revenue are indeterminable.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA, DOI.

Local Agencies Affected:

Information Sources: Presentation to the New Mexico Legislative Health and Human Services Committee as presented by Katie Falls, Secretary of the New Mexico Human Services Department, October 5, 2010.

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